



The President's Daily Brief

March 11, 1975

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FOR THE PRESIDENT ONLY

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CAMBODIA

President Lon Nol has begun to implement his plans for a shake-up in the military command structure. Late yesterday he abolished the post of armed forces commander in chief, held by General Sosthene Fernandez, and appointed roving ambassador General Sak Sutsakhan as chief of the armed forces general staff, now the top military post. The moves are designed to make the military more responsive to civilian control.

Fernandez has been asked to stay on, at least temporarily, as one of Sutsakhan's assistants, but he will almost certainly resign soon.

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Prime Minister Long Boret is already considering Fernandez as ambassador to Manila.

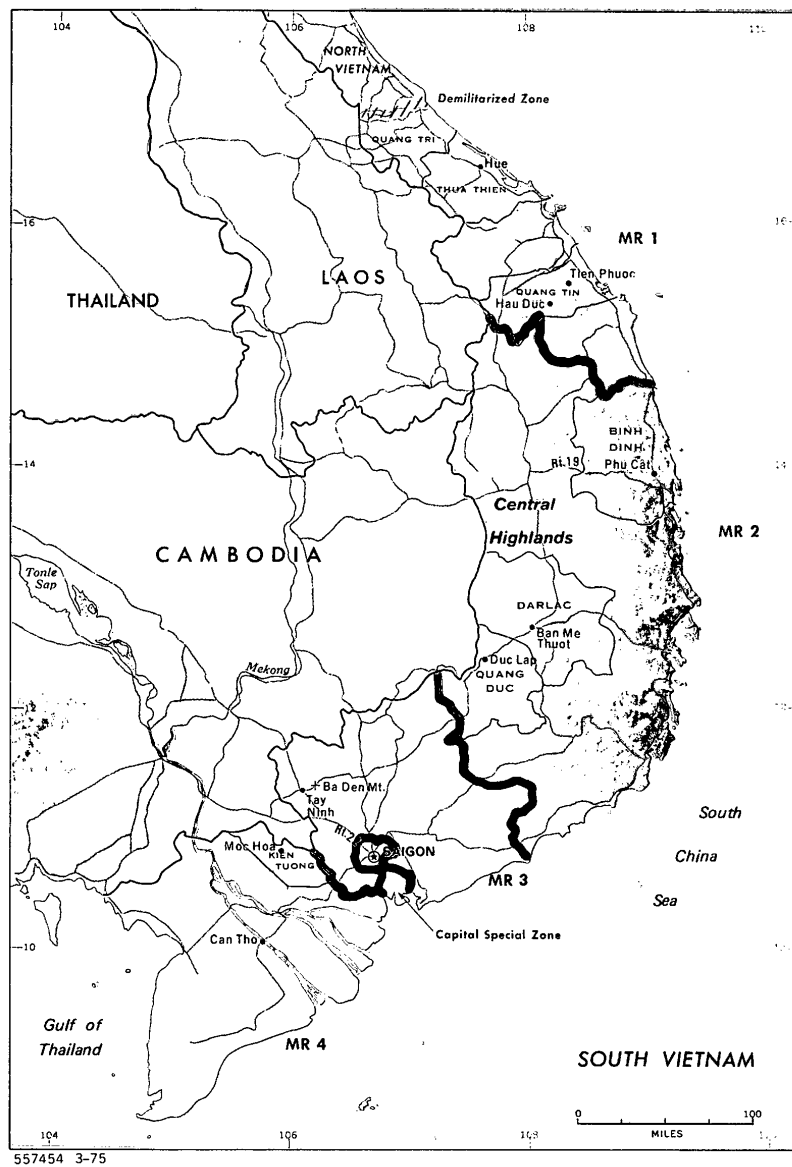
Boret is also preparing for cabinet changes, which will probably include naming Sutsakhan to the post of defense minister.

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On the military side, the communists launched one of their biggest rocket attacks against Pochentong airport yesterday, but only a few artillery rounds landed near the airport. One domestic airliner was destroyed, but the US airlift continued without interruption.

The government operation to retake the town of Tuol Leap and to push the communists out of range of Pochentong remains stalled, but government operations on Route 5 north of Phnom Penh are gaining momentum. In the countryside, the communists reportedly raided several villages on the outskirts of the far northwestern city of Battambang.

British military aircraft are scheduled to evacuate diplomatic personnel of several nations from Phnom Penh today; large numbers of foreign nationals have already left quietly this week.



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SOUTH VIETNAM

Communist forces are maintaining heavy pressure against government positions in the northern provinces and central highlands. South Vietnamese commanders believe they can hold Ban Me Thuot, capital of Darlac Province, if they can keep the city's airfields open and get in reinforcements.

North Vietnamese forces have overrun the district capital of Duc Lap in Quang Duc Province. Heavy shellings and ground attacks have closed the government's important airfield at Phu Cat in Binh Dinh Province, and stiff communist resistance continues along Route 19.

In the northern provinces, North Vietnamese forces have overrun the district capitals of Hau Duc and Tien Phuoc in Quang Tin Province. Action continues in Quang Tri and Thua Thien provinces. Recently captured prisoners claim that the North Vietnamese 325th Division moved south in early March from Quang Tri to Thua Thien Province. If such a move has taken place, the North Vietnamese would be in a considerably stronger position to increase pressure against government positions in the area, including the former imperial capital of Hue.

In the provinces around Saigon, South Vietnamese forces maintain the initiative, although North Vietnamese units have cut Route 22 south of Tay Ninh City. The government has placed a token force atop strategic Ba Den Mountain, and [] the position can be held if supply corridors up the mountainside are secured.

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The South Vietnamese have information that elements of two North Vietnamese divisions in the delta have moved close to Moc Hoa, the capital of Kien Tuong Province, and Can Tho, the government's regional headquarters for Military Region 4. The South Vietnamese anticipate heavy artillery and sapper attacks against Moc Hoa, possibly by the end of the week, followed by ground assaults. Much the same strategy is visualized for Can Tho, although communist forces are believed too weak to stage a frontal assault on the city.

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CYPRUS

The tenuous truce between pro- and anti-Makarios factions within the Greek Cypriot community appears to have been broken by the attempted assassination Sunday of a high government official and an explosion last week at the Limassol offices of the Church of Cyprus.

Relations between the factions began to deteriorate late last month following the Greek government's discovery of a plot against it by supporters of the former junta. Pro-Makarios groups in Cyprus charged that the conspiracy was also aimed at the overthrow of the Makarios government, and called for more arrests and a purge of junta collaborators from the bureaucracy and the national guard.

Makarios had previously been conciliatory toward the far right, apparently to maintain a common front in the face of the Turkish threat. This tactic also allowed Makarios to bide his time before moving against his opponents. The latest acts of violence, coupled with pressure from his supporters for action against extreme rightists in the government and the remaining EOKA-B terrorists, will probably persuade him to take some punitive measures against the far right.

Such action could spark renewed clashes between government forces and the well-armed, hard-core remnants of EOKA-B. The terrorists are particularly strong in the Limassol area, but do not appear now to have the means or the popular support to mount a successful challenge to the government.

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ISRAEL-SYRIA

Israeli official and public reaction to President Asad's declaration on Saturday that Syria is ready to establish joint political and military commands with the Palestine Liberation Organization has been predictably negative.

In his speech at a Baath Party rally, Asad stated that Syria endorses a single Syrian-Palestinian political leadership and a single Syrian-Palestinian military command to strengthen the Palestinian forces. Damascus has not elaborated on the proposal.

In a press conference on Sunday, Asad said Arafat welcomed the offer. He said if the PLO command decides to accept it, Syria is ready to implement the plan immediately.

Asad's proposal may have a positive side. Institutionalizing Syrian support for the PLO through joint commands could give the Palestinians needed reassurance that their cause will not be abandoned. It could also provide the means for including Palestinian representatives in the Syrian delegation to the Geneva conference when it is resumed.

The Israelis have been adamant in their refusal to deal directly with the PLO, but have said that they would meet with the Palestinians as part of another delegation. Queried on this point, Asad replied that the Syrian offer might provide such an opportunity, but he noted that it might also prevent the Syrian side from attending the conference. Such a decision would rest with the joint command.

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ABU DHABI

*Abu Dhabi is one Arab oil producer
that faces financial problems this year.*

To stimulate demand for its premium-quality low-sulfur oil, the Abu Dhabi government has--with OPEC's blessing--reduced oil prices by about 55 cents per barrel in hope of resuming normal production. Because of surplus oil supplies, the oil majors operating in the emirate have cut production by 40 percent from the December 1974 level to little more than 750,000 barrels per day.

Even with increased production, however, Abu Dhabi probably will have to curb some of the free spending engaged in last year when revenues totaled some \$3.5 billion. Abu Dhabi's financial experts are concerned that sufficient oil revenues will not be received this year to meet foreign economic aid, internal development, and recurrent budgetary expenditures.

Aid commitments this year apparently are programmed to exceed the \$1.4-billion total in 1974. These funds probably will be disbursed slowly to assure that at least \$2 billion--an equivalent amount to 1974--will be available for domestic development and recurrent expenditures. Abu Dhabi also faces growing demands from the other members of the United Arab Emirates for an increased share of development funds.

The uncertainty of oil revenues will encourage the Abu Dhabi Investment Board to continue favoring highly liquid securities. The government's bilateral assistance program may be combined with equity investments in industrial projects in the developing countries, much in the fashion of Kuwait and Iran.

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NOTES

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Khukrit Pramot has been designated to form a Thai government and believes he will have a cabinet ready within a week.

[redacted] Khukrit has reached agreement on allocation of key cabinet positions with leaders of the political right. He must still come to terms with a handful of small parties in order to have a parliamentary majority. The students and media have not protested the parliamentary defeat last week of Seni Pramot, perhaps realizing that Seni's brother, Khukrit, represents the last chance for a political moderate of national prominence to head the government.

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Jewish emigration from the USSR totaled 1,038 last month, which matches the January rate but is well below the pace set during the first two months of 1974.

The decline in emigration this year reflects uncertainty--promoted by the Soviets--about conditions in Israel, the expense of application, and the usual harassment of applicants. There apparently has been no change in the rate of outright government refusals. The number of Jews emigrating from Moscow is, however, up somewhat. Soviet authorities may calculate that by letting well-educated, articulate Muscovites leave, they will reduce activist agitation in the capital and negative publicity in the West.

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